

# Special Tax Report

## Pombo supports tax relief for ALL taxpayers

Congressman Richard Pombo today voted to reduce the tax burden of all taxpayers. The bill, H.R. 3, reduces to 12% the current 15% tax rate on the first \$12,000 of taxable income for all couples (\$6,000 for singles) to get money in the hands of those who need it most. The new rate is applied retroactively to January 1, 2001. The House plan also consolidates the current five rate tax structure (15%, 28%, 31%, 36% and 39.6%) into four new rates (10%, 15%, 25%, and 33%).

"It's only common sense that we reduce the flow of money from our pockets to Washington, D.C.," Pombo stated. "If we keep the money in Washington, the politicians will spend it. Today's vote is only the beginning - we will end the marriage tax penalty and the death tax like we tried to do last year. The difference between this year and last is that we now have a President committed to making tax relief law."

The House approved the tax relief measure by a vote of 230-198.

Congressman Richard W. Pombo  
11th District, California  
2411 Rayburn HOB  
Washington, DC 20515  
(202) 225-1947  
[www.house.gov/pombo](http://www.house.gov/pombo)

## Today in History

**1790** - George Washington delivers the first State of the Union address.

**1917** - The U.S. Senate voted to limit filibusters by adopting the cloture rule.

**1948** - The U.S. Supreme Court ruled that religious instruction in public schools was unconstitutional.

**1965** - The U.S. landed its first troops in South Vietnam.

*From The History of Today*

## How much will you save with the Bush Tax Plan?

The information provided here will give you a

### Single Taxpayers

	Scenario 1		Scenario 2		Scenario 3	
	2000	2001	2000	2001	2000	2001
<b>Gross Income</b>	\$25,000	\$25,000	\$36,000	\$36,000	\$100,000	\$100,000
<b>Charitable Giving</b>	-	(500)	-	(700)	-	(1,000)
<b>Standard Deduction</b>	(4,400)	(4,400)	(4,400)	(4,400)	(4,400)	(4,400)
<b>Personal Exemptions</b>	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)	(2,800)
<b>Taxable Income</b>	\$17,800	\$17,300	\$28,800	\$28,100	\$92,800	\$91,800
<b>Tax</b>	\$2,670	\$2,295	\$4,652	\$4,101	\$23,450	\$20,026
<b>Child Tax Credit</b>	-	-	-	-	-	-
<b>Net Tax</b>	\$2,670	\$2,295	\$4,652	\$4,101	\$23,450	\$20,026
<b>Dollar Savings</b>		\$375		\$551		\$3,424
<b>% Savings</b>		14.0%		11.8%		14.6%

**Scenario 1** Single Taxpayer, No Children, Annual Income \$25,000, Charitable Contributions \$500

**Scenario 2** Single Taxpayer, No Children, Annual Income \$36,000, Charitable Contributions \$700

**Scenario 3** Single Taxpayer, No Children, Annual Income \$100,000, Charitable Contributions \$1000

**Assumptions:** Calculated using fully phased-in rates and amounts  
Alternative minimum tax effects assumed to be \$0  
All children under 17 years old

*Continued on Page 2*

## Wordsmith

### <sup>1</sup>fil·i·bus·ter

**Pronunciation:** 'fi-l&-  
"b&s-t&r

**Function:** noun

**Etymology:** Spanish *filibustero*, literally, freebooter

**Date:** 1851

**1** : an irregular military adventurer; *specifically* : an American engaged in fomenting insurrections in Latin America in the mid-19th century

**2** [<sup>2</sup>filibuster] **a** : the use of extreme dilatory tactics in an attempt to delay or prevent action especially in a legislative assembly **b** : an instance of this practice

*Reprinted from the Merriam-Webster Online*

## Weekly Quote

"All of them."

-- Sen. Strom Thurmond (R-SC), asked by a photographer how many inaugurations he'd attended, Columbia State, 3/4

## Special Tax Report cont.

**Married Taxpayers - One Wage Earner**

	Scenario 4		Scenario 5		Scenario 6		Scenario 7	
	2000	2001	2000	2001	2000	2001	2000	2001
Gross Income	\$36,000	\$36,000	\$65,000	\$65,000	\$120,000	\$120,000	\$250,000	\$250,000
Standard De- duction	(7,350)	(7,350)	(7,350)	(7,350)	(7,350)	(7,350)	(7,350)	(7,350)
Personal Exemptions	(11,200)	(11,200)	(11,200)	(11,200)	(14,000)	(14,000)	(6,048)	(6,048)
Taxable Income	\$17,450	\$17,450	\$46,450	\$46,450	\$98,650	\$98,650	\$236,602	\$236,602
Tax	\$2,618	\$2,018	\$7,306	\$6,628	\$21,922	\$19,678	\$68,225	\$60,178
Child Tax Credit	(1,000)	(2,000)	(1,000)	(2,000)	(1,000)	(3,000)	-	-
Net Tax	\$1,618	\$18	\$6,306	\$4,628	\$20,922	\$16,678	\$68,225	\$60,178

Dollar Savings | \$1,600 | \$1,678 | \$4,244 | \$8,047 |

% Savings | 98.9% | 26.6% | 20.3% | 11.8% |

**Scenario 4** Married Taxpayer, 2 Children, Annual Income \$36,000

**Scenario 5** Married Taxpayer, 2 Children, Annual Income \$65,000

**Scenario 6** Married Taxpayer, 3 Children, Annual Income \$120,000

**Scenario 7** Married Taxpayer, 2 Children, Annual Income \$250,000, Personal exemptions phased out

**Assumptions:** Calculated using fully phased-in rates and amounts

Alternative minimum tax effects assumed to be \$0

For comparative purposes, standard deductions and exemptions are year 2000 amounts

All children under 17 years old

*Continued on Page 3*

## Special Tax Report cont.

**Married Taxpayers - Two Wage Earners**

	Scenario 8		Scenario 9		Scenario 10		Scenario 11	
	2000	2001	2000	2001	2000	2001	2000	2001
Gross Income	\$36,000	\$36,000	\$65,000	\$65,000	\$120,000	\$120,000	\$250,000	\$250,000
Two Earner Deduction	-	(1,800)	-	(3,000)	-	(3,000)	-	(3,000)
Standard Deduction	(7,350)	(7,350)	(7,350)	(7,350)	(7,350)	(7,350)	(7,350)	(7,350)
Personal Exemptions	(11,200)	(11,200)	(11,200)	(11,200)	(14,000)	(14,000)	(6,048)	(6,048)
Taxable Income	\$17,450	\$15,650	\$46,450	\$43,450	\$98,650	\$95,650	\$236,602	\$233,602
Tax	\$2,618	\$1,748	\$7,306	\$5,918	\$21,922	\$18,928	\$68,225	\$59,188
Child Tax Credits	(1,000)	(1,748)	(1,000)	(2,000)	(1,000)	(3,000)	-	-
Net Tax	\$1,618	\$-	\$6,306	\$3,918	\$20,922	\$15,928	\$68,225	\$59,188

Dollar Savings	\$1,618	\$2,388	\$4,994	\$9,037
% Savings	100.0%	37.9%	23.9%	13.2%

**Scenario 8** Married Taxpayer, 2 Children, Annual Income \$36,000

**Scenario 9** Married Taxpayer, 2 Children, Annual Income \$65,000

**Scenario 10** Married Taxpayer, 3 Children, Annual Income \$120,000

**Scenario 11** Married Taxpayer, 2 Children, Annual Income \$250,000, Personal exemptions phased out

**Assumptions:** Calculated using fully phased-in rates and amounts  
 Alternative minimum tax effects assumed to be \$0  
 For comparative purposes, standard deductions and exemptions are year 2000 amounts  
 All children under 17 years old  
 Income earned equally

I would like to thank David Vaughn for supplying the tax analysis of by President Bush's Tax Plan.

- Richard Pombo

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